

**OPERATING BUDGET
JOINT COMMITTEE HEARINGS
WAYS & MEANS, REAL ESTATE TRANSACTIONS AND FINANCE
AND
BUDGET**

Minutes

The Operating Budget Joint Committee Hearing of Ways & Means, Real Estate Transactions and Finance Committee and the Budget Committee was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Smithtown, New York on Thursday, **October 23, 2003.**

MEMBERS PRESENT:

Legislator Andrew Crecca, Acting Chairman
Legislator Vivian Vilorio-Fisher
Legislator Michael Caracciolo
Legislator David Bishop
Legislator George Guldi, Chairman

ALSO IN ATTENDANCE:

Alexandra Sullivan, Chief Deputy Clerk
Fred Pollert, Director of BRO
Jim Spero, Deputy Director of BRO
Robert Lipp, BRO
Sean Clancy, BRO
Linda Burkhardt, Aide to P.O. Postal
Carl Yellon, Aide to Legislator Crecca
Anita Katz, Board of Elections
Robert Garfinkle, Board of Elections
John Cochrane, Treasurer
Martin Haley, Deputy Treasurer
Sondra Randall
Donald Grauer

Lydia Sabosto

Anne Abel, AME

Cheryl Felice, AME

Dave Fitzsimmons, AME Auditor

Lee Lutz, Campaign Finance Board

Peter Quinn

Phil Goldstein

MINUTES TAKEN BY:

Diana Kraus - Court Stenographer

(THE MEETING WAS CALLED TO ORDER AT 9:40 A.M.)

ACTING CHAIRMAN CRECCA:

Good morning, everyone. I apologize for the lateness. And if everyone would just please rise for the Pledge of Allegiance, and I'll ask Jim Spero to lead us in the pledge.

(SALUTATION)

ACTING CHAIRMAN CRECCA:

Now, for those of you who are wondering where George Guldi is this morning -- I'm sure many of you are very happy that George is not here but the truth of the matter is George's wife went into labor, so that's a good excuse for not showing up.

We're going to go right to the -- right to the cards and have our speakers come up. And we're going to save any presentation from Budget Review, if that's okay, 'til the end after we have the comments.

What I'd like to do is first -- the first card I have is the Treasurer John Cochrane and Deputy Treasurer Marty Haley. So if you gentlemen would come forward and share your wisdom with us.

MR. COCHRANE:

Good morning, Mr. Crecca. I don't know about sharing wisdom, but we don't have to share any woes with you, so that may be good news.

With respect to the Executive's recommended budget and the review of the budget by Budget Review Office, we're comfortable with what has been proposed for the 2004 budget year. So I'd be happy to answer any questions. But to expedite the proceeding, we're very comfortable with what's been proposed.

ACTING CHAIRMAN CRECCA:

That was certainly brief enough. Former Legislator Haley, Deputy Treasurer, do you have anything to add?

MR. HALEY:

No, sir. The treasurer has all the wisdom.

ACTING CHAIRMAN CRECCA:

There you go. The only thing I would ask, John and Marty, is that you speak with Budget Review and Rich DeTorre. And I don't even need to get into it, but one of the things we want to just take a look at as we finish out this year and get into next year, is how we're investing the money that's currently in our Tax Stabilization Reserve Fund. And, you know, want to see if there are ways we can maximize our return on our dollar there. So, that not something that we need to get into here; simply it's just something that I'll leave to the experts and certainly it's an area that the Legislature is interested in.

MR. COCHRANE:

So we can discuss it with them. No question about it, Andy.

One other point that one of the personnel changes in the budget does require, I believe, inclusion in the Omnibus Budget Resolution. So I believe that Mr. Pollert is familiar with that, but I just want to bring that to your attention because I believe you'll be involved in that activity as well. So that's all been recommended in here. We just want to make sure it gets included in the Omnibus Resolution.

ACTING CHAIRMAN CRECCA:

You mean it's recommended in the BRO report?

MR. COCHRANE:

Yes.

ACTING CHAIRMAN CRECCA:

Okay. Fred, you know what the Treasurer's talking about?

MR. POLLERT:

Yes, I do.

ACTING CHAIRMAN CRECCA:

Okay. Very good. I thank you gentlemen for being here. And that was short and sweet.

MR. COCHRANE:

Thank you very much.

ACTING CHAIRMAN CRECCA:

Thanks.

MR. COCHRANE:

Good day and good luck.

ACTING CHAIRMAN CRECCA:

Next speaker I have -- by the way, we're going to try to keep the comments to three minutes. Certainly the Treasurer and Deputy Treasurer got us to a good start with that. I don't want to rush anybody too much. Our next speaker is Mr. Quinn. And, on deck, just so you know, we have the Commissioners of the Board of Elections.

Good morning.

MR. QUINN:

My name is Peter Quinn, Energy Analyst for the Long Island Coalition for Democracy. We are calling upon the Ways and Means Committee and the Energy Committee and the full Legislature to adopt a resolution calling for an Energy Manager for Suffolk County. Here's why. There hasn't been an updated analysis of the facilities in Suffolk County since 1988. And a recent report back in January, actually by the Budget Review Office and by Herman Miller from the

Suffolk County Water Authority showed that -- and I gave a copy of that to all the Legislators back in January -- showed that there has been an increase in expenditures for energy -- electrical energy by 1.5 million dollars over a year-and-a-half.

Now, we can't expect much help from Washington. The Energy Bill that Bush has proposed calls for some 60 to 65 billion dollars. Most of it is for subsidies for the oil, natural gas, coal and nuclear industry. There's nothing in the House Bill. And there's very little in the senate bill that calls for renewables or energy efficiency. And those will be in joint conference committees over the next few weeks to determine how that pans out. But essentially there's nothing there.

We should note that a Goldman Sachs report showed that the utility industry sold assets worth 21 billion since the Enron bankruptcy. And even before that, back to 1992 when FERC issue order 636 to deregulate the energy industry, Wall Street advised utilities to sell off their assets, keep their transmission line so that they could -- the gatekeepers can control how much money came in long term agreements by private contractors with utilities out of sight of municipal governments and out of sight of the general public.

As a result we have really -- the only alternative, as we see it, is to call upon municipal governments to hire energy managers. East Hampton already has one. There is some improvement in the energy efforts in Brookhaven where they're going to make an energy efficient new Town Hall. There is a small effort in Huntington Town to do something similar on energy efficiency. But we don't see anything by the County. And that's why we envision \$250,000 for an office of Energy Manager, somebody with environmental architectural and engineering background who could do such an analysis and provide savings. The income -- the revenue spent for the expenditure for this office could be repaid by the savings of the energy -- what the Energy Manager is capable of doing.

So we urge the County -- and I already spoke with the Energy Committee -- and they said -- Legislator Carpenter spoke to me afterwards. She said she's putting together with another Legislator just such a proposal. But I think you have to earmark money in the Operating Budget you're planning to decide on this fall for next year. We can't wait another year. Thank you very much.

ACTING CHAIRMAN CRECCA:

Peter, thank you for your comments. And I will speak to Legislator Carpenter directly about that

also; see what she's got planned. Just so you know, too, we are -- we're looking at renewable energy and different roles government can take, too, on that front as we move into 2004. Thank you.

MR. QUINN:

Thank you very much.

ACTING CHAIRMAN CRECCA:

Commissioner Katz and Commissioner Garfinkle, you're the next contestants.

MS. KATZ:

Good morning.

MR. GARFINKLE:

Good morning.

ACTING CHAIRMAN CRECCA:

Good morning. Guys, how are you finding enough time this time of year to come down to the Legislature?

MS. KATZ:

We understand what's most important. We're more than happy to be here.

ACTING CHAIRMAN CRECCA:

Good to have you here.

MS. KATZ:

We'll just take a few moments of your time. We would -- we appreciate the analysis that Budget Review has done of our budget. And we are here to request that Budget Reviews' analysis be put into the Omnibus Resolution. It wasn't everything we had asked for, but it certainly was sufficient. And if that could be included, we would be able to manage for the next year.

ACTING CHAIRMAN CRECCA:

And is part of that because of the presidential primaries? Because there's an increase in cost over at the Board of Elections obviously.

MR. GARFINKLE:

There are two major areas; the presidential primary and the additional cost requiring for filing all provisions under the Federal Election Laws for the Board of Elections to comply with.

ACTING CHAIRMAN CRECCA:

Could you, if you don't mind, Bob, just for -- even if it's just for my edification, what are some of those federal mandates?

MR. GARFINKLE:

Every publication or every piece of literature that goes out from the Board of Election for voter participation has to be included in Spanish under the Federal Election Law. We've -- for example, certain postcards that were mailed out that we would get one-price mailing, either the postcards had to be increased in size so there would be additional costs, some of the things that were postcards now could be letters, which were additional postage costs.

New election districts have to -- have to be created. In there -- what we're attempting -- what we're attempting to do is get an increase in Election Inspectors and to -- we have a shortage of Election Inspectors in general. But in addition to hiring them, to meet the mandates under the State Election Law, but also to have bilingual Election Inspectors now reach into the various communities.

MS. KATZ:

We're also using outside translators rather than employees of the Board of Elections to alleviate any of the problems we've had in the past. We clearly feel that this is the best way to go. But it is certainly an additional expense that we have to deal with.

MR. GARFINKLE:

For example, you tried to reduce costs by using Spanish translation programs. They were found to be insufficient. We have in-house personnel who speak Spanish but we -- what we'd like, for the perception within the Hispanic communities, is to get certification on the translations to alleviate any problems. And that cost additional money.

ACTING CHAIRMAN CRECCA:

You know, one recommendation I might have or something to consider, I got a tremendous amount of inquiries in my district about the card in both English and Spanish. And the questions were basically why are we doing the additional expense, to do it in Spanish? I explained to those who called that there was a, you know, Federal Mandate to do that. You might want to on

the next mailing or -- card mailing just consider putting that it's being printed in English and Spanish pursuant to, you know, Federal Mandate.

I really think as taxpayers, what I got in my district was, some taxpayers were annoyed because they felt there was an additional expense. Whether that's true or not true or justified or not justified, it doesn't really matter. Just as far as perception, I think people should be aware of why we are doing that so --

MR. GARFINKLE:

Thank you. We'll do that.

ACTING CHAIRMAN CRECCA:

The other thing, if you two can solve the traffic problems on Long Island, that would be helpful also; because I just got a message that -- I've got -- are you ready -- I've got Bishop on his way stuck in traffic, O'Leary got stuck in traffic and Caracciolo's about seven minutes away. But we do have Legislator Fisher here, so --

MR. GARFINKLE:

Thank you.

ACTING CHAIRMAN CRECCA:

By the time everyone's done speaking, I'm sure we'll have a full array of Legislators.

LEG. VILORIA-FISHER:

Or a quorum, at least.

ACTING CHAIRMAN CRECCA:

Your mike's not on.

LEG. VILORIA-FISHER:

How's that?

ACTING CHAIRMAN CRECCA:

Very good.

LEG. VILORIA-FISHER:

Okay. Everybody's afraid to say can you hear me now because of the TV commercial.

Last year -- well, not last year but several months ago, there were two positions that were

added to the Board of Elections. And it was represented on the record that those positions were added because of the Federal Mandate regarding inclusion of all -- of all different groups of interest community. I was wondering what were the parameters for those particular positions? What were the descriptions?

MR. GARFINKLE:

To a very large extent, the people were going to be going out into the Hispanic community dealing with -- with outreach programs, getting input from them as to how we can better serve under the requirements of the law the needs of the bilingual requirements. We've been doing that to a degree. Two things have been keeping it from going into full operation. One of the staff members who was going to come on board has not yet been able to. And the second -- and we're still going ahead with the program, by the way, but it's not at 100% speed -- is one of the people who came in is handling a very technical area which is the Finance Requirement Laws, the filings that are required by candidates and packs. And the woman who had been handling it is out on -- she'll eventually be coming back probably within a couple of weeks -- was out with cancer treatments. But we're going ahead with the program. It's certainly going at a very good clip. But we want to increase even the outreach into the Hispanic community with that.

LEG. VILORIA-FISHER:

Now, one of the people who was hired, I believe that person was hired because of his knowledge of Spanish.

MR. GARFINKLE:

His knowledge of Spanish and his ability to work with the Hispanic community, Jesse Garcia.

LEG. VILORIA-FISHER:

Does he speak Spanish?

MR. GARFINKLE:

He speaks Spanish. I'm not sure whether it would be college-type Spanish courses. But, yes, he's able to converse in Spanish.

LEG. VILORIA-FISHER:

Okay. I didn't get that impression particularly when I saw the mistakes that were made in the

Spanish instructions given to voters.

MR. GARFINKLE:

At that point what was happening was, we had two other staff members in the office. We were relying primarily -- we mentioned this just before you came in -- to reduce costs, to work off a computer program in Spanish. Subsequent to that time and for both comfort level within the Board and within the Hispanic community, we've hired actually outside certified consultants -- translators to make sure that there's a certification as to the accuracies so there will be no dispute as to that.

LEG. VILORIA-FISHER:

As a high school Spanish teacher, I can tell you that having had students who tried to do internet translations, you cannot have computer software that does translations. You must have --

MR. GARFINKLE:

We've learned that. But in fairness, and I think accurately, we were trying to minimize the cost and satisfy the requirements also. When it was shown that it was insufficient, we immediately went into certifications with translators.

LEG. VILORIA-FISHER:

Okay. But just as a person who represents taxpayers, may I add that hiring someone at, I say a very good salary, by the way -- Mr. Garcia's salary as far as I know exceeds \$100,000 a year -- and to have someone in that particular position who cannot read Spanish translation and know that's it's incorrect, I think, is certainly a misuse of taxpayer money. And I really take issue with representing -- I voted against that particular position, by the way. Because it didn't seem to me that the issue that was represented here to be addressed by the creation of that position was being addressed. And so now we're throwing more money on it -- at the problem by hiring outside consultants. And I really think it's a misuse of taxpayer money.

ACTING CHAIRMAN CRECCA:

I'm sorry. Legislator Viloría-Fisher, did you have any other questions?

LEG. VILORIA-FISHER:

I do have other questions.

The people who are being hired as consultants, for how long will they be acting as consultants?

MR. GARFINKLE:

They're not consultants. These are certified translators for propositions, for publications that go out.

LEG. VILORIA-FISHER:

Well, how are we paying these translators?

MS. KATZ:

We pay them per project.

MR. GARFINKLE:

Per project.

MS. KATZ:

So they get paid to translate a particular document. Just for that document.

LEG. VILORIA-FISHER:

Well, they would be outside consultants. They're not --

MR. GARFINKLE:

Outside contractors.

LEG. VILORIA-FISHER:

Outside contractors. How much are those outside contractors being paid?

MR. GARFINKLE:

They get paid -- I don't have the -- I can supply you with the information. They work off of a form for the number of pages or words that are being translated.

MS. KATZ:

We can certainly get that information.

MR. GARFINKLE:

I can get you that information.

LEG. VILORIA-FISHER:

Yes, I would like that. Because further to the -- in addition to the issue of, I feel, misrepresenting the case here at the Legislature, I also feel it's offensive to the Hispanic Community to fill a position, political position, and say that it's on behalf of the different communities and try to engage them into the electoral process; and then have their language so butchered by whoever was supposed to be doing this professional job. So I hope that this will be rectified. I believe that when we hire people for over \$100,000 to fill a position, that there should be some qualifications involved in the hiring of those positions. That's all I have to add.

ACTING CHAIRMAN CRECCA:

I just have one question on that note. I know Mr. Garcia is doing -- that's not his only function now; is that correct?

MR. GARFINKLE:

Definitely not his only function.

ACTING CHAIRMAN CRECCA:

Okay. That's all. We don't have to get into it now. I think Legislator Viloría-Fisher brings up some valid points. I wasn't trying to say that they weren't. I just -- I know that he's doing --

LEG. VILORIA-FISHER:

Yes, I know. But when we voted for that here in this Legislature, it was represented that we needed -- and this came to a cost of about \$350,000 to Suffolk County taxpayers in salaries.

ACTING CHAIRMAN CRECCA:

It involved other positions, too. There was a Democratic counterpart position for that.

LEG. VILORIA-FISHER:

Yes.

ACTING CHAIRMAN CRECCA:

And also there was --

LEG. VILORIA-FISHER:

But if we look back at the record it was indicated that he was somebody who had knowledge of Spanish. And I think it certainly demeans the whole Spanish-speaking community to assume that someone who just has a passing knowledge of Spanish would be able to have some intelligent input into very important information that is going out to Suffolk County voters.

ACTING CHAIRMAN CRECCA:

Legislator Caracciolo.

LEG. CARACCIOLO:

Thank you. Mr. Garfinkle, could you just explain for the record how these positions work at the Board of Elections; that when there's a hiring, if you will, by one political party on the State Election Law, there has to be a counterpart for the other party, in this case, the Democratic party. Is that not the case?

MR. GARFINKLE:

Yes.

LEG. CARACCIOLO:

And in this instance was there not a counterpart?

MR. GARFINKLE:

There is a counterpart authorized. Under the New York State Election Law, and it's been very successful throughout the State -- and I think one of the reasons and it's certainly a costly proposition because for every Republican position, there's a Democratic position. The benefit of that is that we've avoided situations such as occurred in Florida where you have one party in one position in different counties. We've had historically very successful relationships between the two Commissioners in Suffolk County both Republican and Democrat going back 20, 25, 30 years that I'm aware of since I've been involved. And it's been a very efficient system, a very fair system; one that the Suffolk County Board of Elections historically has been recognized throughout the State as one of the most progressive Boards of Elections.

When they were revamping certain procedures under the Federal Election Law down in Washington, our publications were used as the format for that. Washington had requested that they be sent down. And they were used as a prototype for other jurisdictions throughout the

country.

LEG. CARACCILO:

Just following up on this issue of the Voter Rights Language Assistance Act of 1992 and these positions, who is the Democratic counterpart?

MR. GARFINKLE:

The Democratic part has not yet been filled. It was anticipated, I believe to be, someone who would be recommended by the -- hired by Commissioner Ms. Katz.

LEG. CARACCILO:

Okay. So that position --

MS. KATZ:

It's not filled yet. It will be filled by the end of the year.

LEG. CARACCILO:

What is the import of not having that position filled?

MS. KATZ:

It's always better to have every available position filled. We do have quite a few employees at the Board of Elections who also speak Spanish. This is not the only position. This was an additional -- this was an additional position.

MR. GARFINKLE:

I'd also like to say thanks to my Democratic counterpart. Without the Democratic position being filled, there's been tremendous cooperation between the two Commissioners with respect to some of the -- a lot of the work that Mr. Garcia's done. There has been Democratic supervision or oversight of what we're doing. So it's being done on a truly bipartisan basis going out into the Hispanic Community.

LEG. CARACCILO:

That's always been the tradition of the Board. I've been an elected official 12 years. And I can say honestly that every time I've been to the Board of Elections, and I probably frequent it as

much as any elected official, as you know, Mr. Garfinkle, it is a professionally run organization. Even though there's partisanship with respect to labels, that does not display itself in any manner, shape or form, at least in my experience.

And I want to congratulate your predecessors who I've had in the past and the present Commissioners for keeping that tradition alive and well. But, again, staying on point, I, too, shared Legislator Fisher's perspective as to these appointments. And I, too, voted against them. I think when we have candidates running for County Executive, talking about more efficiency and cost cutting in County government, this is one area that we are going to focus on in the next year's budget.

So I just want to put that on the record in fairness to both Commissioners today. Thank you.

MR. GARFINKLE:

Thank you.

ACTING CHAIRMAN CRECCA:

Thank you.

MS. KATZ:

One point --

ACTING CHAIRMAN CRECCA:

Yes, Ms. Katz.

MS. KATZ:

Although that position is not filled yet, as you pointed out, Legislator, since it has been filled on the Republican side, for equity they would both have to be abolished obviously. You could not abolish the empty position.

ACTING CHAIRMAN CRECCA:

Just for those in the -- seated in the audience, that there is a parity provision where for every position of the board, there's a Republican and a Democratic position, so -- which is pursuant to State law. Thank you very much, Commissioners, and thanks for taking the time to come down

and speak with us.

The next contestant is Mr. Lutz. Come on down. Remember the Price is Right? No? Okay.

MR. LUTZ:

Good morning. The members of the Campaign Finance Board at their latest meeting on October 1st directed me to address this meeting to provide contact for your deliberations regarding the Board's 2004 operating budget appropriation. The Campaign Finance Board has accomplished a great deal with relatively few resources in its four years of existence. The referendum of 1998 mandated that the Board a) implement a public campaign financing programing for Suffolk County candidates; b) create and oversee a campaign finance fund for that program; and c) create and disseminate a data base of campaign finance information to the citizens of Suffolk County.

The Board is pleased to report its achievements to date. The Public Financing Program is in place and available for candidates for County Office. The rules of the program and forms required for application and implementation have been drafted, reviewed and published. One County wide candidate has already participated in the program; although failing to qualify for the available funds. Two more candidates applied for participation this year; however, neither achieved ballot access.

The Campaign Finance Fund has been established and is available for qualifying candidates. As you know, it is insufficient to fully fund the program due to its flawed funding mechanism; however, the Board continues to work towards a viable funding method in order to fully implement the program. The Campaign Finance data base has been compiled every year since 1999. And since the summer of 2002 has been available to the public via the internet. The data base has become a staple of press coverage in the election races. And judging by the number of calls and e-mails from the public widely utilized by the citizens of Suffolk County.

Towards the goal of total and immediate disclosure of candidate campaign finance data, the Board has for over two years been pursuing implementation of an electronic filing system for campaign finance disclosure. This goal has been made -- this goal was made more easily achievable by two recent events. First, this Legislature's passage of Resolution 872 late last year making Suffolk the first county in the nation to mandate electronic filing of campaign disclosure data. And second, the decision earlier this year by County Executive Gaffney to provide the small additional funding necessary to contract for the required software. That

process is nearing completion. And the Board expects that the electronic system will be functional before this January 1st.

In addition to the achievements noted above, the board has one, published reports on the 1999, 2001 and 2002 County elections including tables and graphs illustrating compiled campaign finances. And most recently on the Special Election in LD 3 and the Democratic primary for County Executive; two, prepared at the request of this Legislature a report outlining the goals of public financing programs and providing evidence of the success of similar programs across the country; three, instituted a public education program, which has so far addressed hundreds of Suffolk's residents at civic organizations, service clubs and senior level high school AP classes informing them regarding campaign finance and educating them on Suffolk's program; and four, created and constantly updates a website featuring information on the program, various aspects of State election law including contribution limits, an archive of board press releases and Legislative actions and access to all Board reports as well as providing the primary access to the campaign finance data base.

Campaign finance reform continues to be a pressing issue at all levels of government. Suffolk County is right to be proud of [it's|its] leadership on the local level cited in an article on local campaign finance reform published in the spring 2003 issue of the National Civic Review.

The Board respectfully requests your approval of its very small 2004 budget request. Doing so will permit the board to continue to provide the citizens of Suffolk County with information deemed valuable by them and this Legislature to implement the electronic filing system now nearly complete, to continue its program of public education, and most importantly to continue implementation and administration of the important program mandated by the public's overwhelming approval of the 1998 referendum.

Thank you for your time and consideration.

LEG. VILORIA-FISHER:

Thank you, Lee.

ACTING CHAIRMAN CRECCA:

Thank you, Mr. Lutz. No questions. Thank you.

Next I have a series -- Phil?

MR. GOLDSTEIN:

I wish to address the committee with regard to this issue.

ACTING CHAIRMAN CRECCA:

Phil, I have a card for you. You'll be called up. We never -- we love to hear from you, Phil. But I'm doing the cards in the order I receive them, which is the procedure here at the Legislature.

I have a series of card from AME. I didn't know -- I'll defer for the sake of brevity, maybe we can have you all come up. So I'd ask whoever wants to come up from AME, just to come on up and just, Cheryl, if you'd just put your name on the record as well as anybody else joining us.

MS. FELICE:

Good morning.

LEG. VILORIA-FISHER:

Good morning, Cheryl.

MS. FELICE:

My name is Cheryl Felice. I'm President of AME. And alongside of me is Anne Abel, the Treasurer. And we are both very happy to be here today. We have members of our Executive Board in the audience as well as our hired consultants. So we just have comments that we'd like to present for you today.

And I'd first like to start out by saying as the representative of over 7,000 Suffolk County employees, we are here today to offer you our initial analysis of the 2004 Suffolk County budget. Once the Committee process concludes, we will submit to you a formal subsequent report.

As I said Anne Abel is with me today. And I also want to point out that Anne is a principal accountant and a former Senior Auditor for Suffolk County with the Probation Office. We also have with us our analysis team from the firm of Abrams, Herde and Merkel, LLP, led by Barry Abrams, David Fitzsimmons, and former members of the City of New York Comptroller's Office, and the Office of Management and Budget.

Our goal is to achieve the authorized budgeted positions as a growing number of vacancies is serving to foster an illusion of budgetary effectiveness. From AME's perspective, both branches of government be it the County Executive and the Legislature are responsible to implement proper and timely budgets in order to serve our 1.4 million Suffolk County residents. It's a mistake to say that if spending matches the budget, that the County is well managed. Consequences could include unnecessary contracting out that is usually more costly, the hiring of contract workers, retirees to out the fires and contain a crisis, but fails to address the longer term underlying problem of staffing shortages. The overtime that is used as a long term strategy when it can only effectively be used to handle issues in the short term; reduction of services to residents and taxpayers and the overall higher costs to residents.

Other consequences could cause delays in projects being sponsored throughout the County and within the departments; and also serve to foster low morale among employees that are induced with staffing shortages. The failure to fill all 11,000 plus authorized position creates a heavy burden for the workers, the 10,000 of them left to service Suffolk County. The unfilled 1600 plus positions creates an extreme hardship for the current employees asked to shoulder the heavy burden sometimes working out of title, creating excessive overtime at higher rates; and requires departments to contract out usually at rates higher than in in-house employees which hinders progress in the County's various projects.

Overall, fees for services for non-employees increased 1.4 million from the 2003 adopted budget as is listed in the BRO report on page 5. You are now asking to approve to close a 50 million dollar purchasing service across 26 departments in the various agencies. Anne Abel will continue with some specifics that we have outlined.

MS. ABEL:

We've outlined some specific examples within different areas. First would be Public Safety. And the Budget Review Office states comments based on the Police Department's recommended budget; that 177 unfilled police officer positions creates what is referred to as a phantom budget because it shows positions that are not budgeted to be filled. The budget document should fairly represent the fiscal plan for the coming year. Positions should not be included if there's no intention to fill them.

The related overtime cost is approximately 22 million dollars. The long term use of overtime reduces the effectiveness of our employees, it impacts the morale, and it may even raise the risk to our employees. You can take, for example, also the Probation Department where the

contract -- where we've contracted out with Red Cross to provide alternative sentencing programs. This program has been in place with the order request for proposals solicited in 1996. And that proposal has been continued to this date with increased and been increased with supplemental funding since it was offered. A fair comparison with the AME employees providing those same services may indicate there is added value to those AME employees.

With regard to Fire Rescue and Emergency Services, emergency services, just like air traffic controllers to compare them, are an essential part of effective public safety system. The failure to retain entry level dispatchers leads to chronic understaffing of a critical function. Unfilled dispatch positions can only degrade this essential public service if it has been left uncorrected.

With regard to Public Works, two of the divisions sanitation and custodial services, both of them are referred to in the Budget Review Report on page 292 for sanitation and two 282 for custodial services. They're both very short-staffed. Currently 55 of the 329 positions in sanitation are vacant; and in the custodial services division 15% of the positions or 14 out of the 91 custodians are not on the job. In Suffolk County today our custodians take care of 2500 square feet per employee as opposed to the industry standard of 25,000, I'm sorry, square feet per employee as opposed to the industry standard of 15,000 square feet per employee.

In the Budget Review Office Report on page 263, it states that the budget request for positions does not reflect the increased work load and the responsibilities the Department will face in the next few years. There are many large projects forthcoming that will tax the Department; a Department that has already been taxed to the hilt. Leases entered into by the County that provide for landlord custodial services to be paid as part of the rent is not always a cost effective remedy for that failure to have budgeted number of custodians filled. This can only be penny wise and pound foolish for the County.

Additionally other aspects of the drivers of the increased costs 19.6% rental rates in the Public Works Budget, which is stated on Budget Review page 269, such as energy, communications and other special services, should be looked at by the specialists who recover incorrect billings passed through the leases.

LEG. VILORIA-FISHER:

Thank you, Anne.

MS. FELICE:

To finish out, in Social Services the 2004 executive budget creates 67 new positions in Social Services. The County Executive speaks of public assistant case loads increasing by 13% since 2001. The doubling of housing and adult services division caseloads since 2000 and rapidly increasing caseloads in Medicaid and expenditural growth in foster care in 2001 and 2002 respectively. However, the establishment of these positions is meaningless unless they are filled. The 2004 number of vacancies county wide is approximately 15%. This number, in our eyes, is simply not acceptable.

Current staff is overburdened by increasing workload; the results of increasing case loads as well. This will result in current staff burnout and leaving jobs for other opportunities creating even more backlog and further exacerbating the problem. We strongly disagree with the Budget Review Office recommendation to reduce the number of positions put forward in the Executive's budget. We believe that hiring full-time employees will more cost effectively result in the more efficient delivery of services than any short-term quick fix alternative. Case loads and workloads have increased dramatically; yet staffing has remained constant.

The correct approach is to not incur over-time to hire temporary workers who will take the training and knowledge with them to their next job or contract at hire costs, but to hire full-time employees who will be properly trained and will gain the experience necessary to perform these tasks more efficiently. Even though the 2004 budget adds 67 new positions, the track record in Suffolk County is that these positions go unfilled.

In Parks and Recreations, nearly one quarter of the budgeted positions currently lie vacant. And in health departments 66% of the new positions you voted for in the Omnibus Resolution are still vacant and at the same time contractual expenses for the upcoming 2004 budget has increased by 15.1 million. From a lay person's point of view, if all positions were filled, then perhaps the County could save millions in contractual expenses.

In closing I would like to thank the members of the Legislature for having the opportunity to speak with you here today. And we look forward to open and honest dialogue with you in the future. Thank you very much.

ACTING CHAIRMAN CRECCA:

Thank you, Cheryl, and thank you, Anne. You said you had some other materials that you

wanted to give to us. Do you expect to have those by the end of this week or --

MS. FELICE:

We will have them by the end of the week. We wanted to wait until the Committee process concluded today.

ACTING CHAIRMAN CRECCA:

Okay.

MS. FELICE:

Okay.

ACTING CHAIRMAN CRECCA:

Thank you.

MS. FELICE:

Thank you.

ACTING CHAIRMAN CRECCA:

Legislator Caracciolo.

LEG. CARACCIOLO:

Good morning, Cheryl.

MS. FELICE:

Good morning.

LEG. CARACCIOLO:

Did you or your board have an opportunity to present any of this information prior to the submission of the budget?

MS. FELICE:

No, we did not.

LEG. CARACCIOLO:

Okay. I know it was on -- you were just --

MS. FELICE:

We're the new board and accomplishing about two year's worth of work in the last four months.

MR. CARACCILO:

Well, you're to be congratulated. I think it's that type of employee input that will help this County move forward and provide more cost-efficient --

MS. FELICE:

We appreciate that comment and certainly that acknowledgment. And it is something that this Board has pledged to each and every one of you when you did come in and visit with us and meet the new Board. We have promised that we would bring this information forward to you, and keep you a part of the dialogue that we need because we're all responsible for this. We are all responsible for the millions of residents we have.

MR. CARACCILO:

That's a nice approach. And I certainly appreciate that as a -- because you are a stakeholder. And your members are stakeholders.

MS. FELICE:

Absolutely.

LEG. CARACCILO:

And we're all responsible to the same public because we're all public servants. So I hope as we go forward, you'll continue to be a watchdog in County government and not hesitate to come before the Legislature. Because this is really the only forum you have. You put every elected Legislator on notice as to what you see that's right and what you see that's not right and that can be corrected.

MS. FELICE:

Well, you have that commitment from us that we will maintain that kind of dialogue.

MR. CARACCILO:

Thank you.

MS. FELICE:

Okay. Thank you. Have a good day.

ACTING CHAIRMAN CRECCA:

Thanks for coming down. All right, without further ado, I'm proud to present to you Mr. Phil Goldstein. Come on, Phil. I know you're going to object, but -- and I'll try -- I don't have a stop watch, so just try to keep it to a reasonable time.

MR. GOLDSTEIN:

That's a very open-ended request.

ACTING CHAIRMAN CRECCA:

Well, I've asked everyone else to keep it to 3 minutes so --

MR. GOLDSTEIN:

It's remaining to see how you define "reasonable".

Okay. Actually there are two items that I wish to address, so I don't know if you want me to do them both at the same time or wait for an appropriate time to address the second item.

ACTING CHAIRMAN CRECCA:

It's your show.

MR. GOLDSTEIN:

Number one, with regard to the Campaign Finance Board's request for funding, I am dismayed over the fact that the memorandum of agreement, which goes back to the fall of '01 has not been implemented. The citizens of Suffolk County overwhelmingly indorsed the concept of campaign finance reform in a referendum. And one aspect of that reform is disclosure. And despite all of the efforts to make things difficult, the Board has forged ahead -- and I'd like to at this point compliment it's Executive Director who also is suffering under the stigma of your not properly appointing him to his Civil Service justified position under the law -- the board has forged ahead and has accomplished a great deal. I have regularly attended the meetings of the Campaign Finance Board. And their efforts are exemplary as pointed out by Mr. Lutz with regard to the achievements that they have accomplished despite the reticence of the County

Executive's Office and this Legislature to resolve some of the problems confronting them.

And so I would like to take this opportunity to urge you to see to it that they are fully funded with regard to their request because that funding will enable them to fulfill the mandate of public disclosure. And with all due respect, Mr. Crecca, the Republican side of the aisle who opposed the public financing aspect of the law spoke out fervently in favor of public disclosure. Yet I'm sad to note also that the County Board of Elections had to suspend one of its employees responsible for public disclosure because she assumed that the Board's function was merely ministerial and that she didn't have to be conscientious in implementing the law and seeing to it that the necessary filings were accomplished and that the Campaign Finance Board got those filings and was able to publish that information.

By approving that memorandum of agreement, it gives the Campaign Finance Board the independence with regard to the budget funding. That was one of the intents. And at the current time I believe they are under the Budget Review Office portion of the budget. They don't have that independent agency opportunity to file their budget request without having to go through another layer of government, which subverts the intent of the law, both, I think, in the spirit and the letter. So given the successful effectiveness I would urge you to see to it that they are provided the funds; and that Mr. Lutz is given the appropriate appointment under Civil Service Law at an appropriate level.

This Legislature and the County Executive's Office didn't seem to find any difficulty as was pointed out by Ms. Fisher to appoint political insiders to very highly paid jobs despite questions regarding the appropriateness of their qualifications. And I can attest to the fact by my intimate relations with the Campaign Finance Board that Mr. Lutz has done human service and is highly required to perform the function and that he ought to be employed at an appropriate Civil Service level. And there have been games played with regard to assigning this position an appropriate salary level. Exaggerations, hyperbole was used saying that he's being paid an extraordinary sum of money when, in fact, if you look at the budget request, the neighborhood of the cost is a total package of about \$66,000, which is not an extraordinary sum to pay when you consider Ms. Vilorio-Fisher's comments about the recent appointment to the County Board of Election.

With regard to the second matter, I would like to call to the attention of the Ways and Means --

ACTING CHAIRMAN CRECCA:

Ms. Viloría-Fisher had a question on that point.

LEG. VILORIA-FISHER:

Can I just interrupt you on the first matter? I wanted to go to Fred for a question. We have been trying to establish a specific position for Mr. Lutz. Can you please tell me what has happened administratively because, as you know, I have introduced resolutions and have met with Budget Review and Mr. Lutz and the Department of Law to try to reach the point that -- to which Phil has referred. Can you tell us what happened?

MR. POLLERT:

Yes. The County Legislature adopted a resolution to make the Campaign Finance Board their own separate department. The County Executive had vetoed it because he didn't consider the grade to be commensurate with the responsibilities, even though I believe the grade was given by the Civil Service Department. The County Legislature, when we submitted our budget request this year, requested the County Executive break it out to its own separate department assigning whatever he considered to be the appropriate grade because he had vetoed the resolution. The County Executive's Office didn't do that. They, again, included the funding in the County Legislature's budget. And our recommendation was to break it out to a separate department as required by the referendum. That's what our recommendation is.

LEG. VILORIA-FISHER:

Okay. So, Phil, you could see that we've gone in a kind of cycle where we're chasing our tail with this.

MR. GOLDSTEIN:

Exactly. This the kind of game playing that goes on politically when some people consider that even though the public has spoken, they would like to do whatever they can to create obstacles to prevent the full implementation of the law. And so they're game playing. And this is an affront to Mr. Lutz who is diligent in his performance of his duties. I mean his report barely touches upon the extent to which he has extended himself in trying to make this an exemplary program, which it is, despite the frustrations that he has had to face and the Campaign Finance Board has had to face with regard to the political aspects of this.

LEG. VILORIA-FISHER:

And very few resources available to him.

MR. GOLDSTEIN:

Yes.

LEG. VILORIA-FISHER:

He really has done a yeoman service.

ACTING CHAIRMAN CRECCA:

Fred, can you just in the Budget Review Report, where's the -- we can't find the Campaign Finance Board in there.

MR. POLLERT:

It's under the write up of the County Legislature.

ACTING CHAIRMAN CRECCA:

Okay. That's on 229, I think?

MR. POLLERT:

Yes. Specifically it's point number 1 underneath the Budget Review Office Recommendation. There's a total of \$180,000 in the Budget Review Office's 456 account for Mr. Lutz.

ACTING CHAIRMAN CRECCA:

Thank you. Phil, you said you had another point?

MR. GOLDSTEIN:

Yes. I call your attention to an earlier meeting this week of the public safety portion of the operating budget. And to what I consider to be another betrayal of the voters and taxpayers of Suffolk County. The item to which I refer can be located on page 23 of that report. And if necessary I'll submit it although it's a document which --

ACTING CHAIRMAN CRECCA:

No, it's a document on file to Legislature.

MR. GOLDSTEIN:

And to quote to you from that particular item. It has to do with the subject of arbitration. Resolution 446-2003 granted authority to the Public Arbitration Panel to issue a final and binding

agreement for up to four years. This is an outrage. How can you allow appointed officials to make a determination which will extend for four years when this is a campaign issue currently confronting the voters of Suffolk County with regard to the whole question of the cost of public safety in Suffolk County? We have seen what has happened to our neighbor and we are heading down the same road as Nassau County.

The use of arbitration despite the fact that the State Legislature may have agreed to allow this to be perpetrated is outrageous. It undermines the very foundations of this nation. May I remind you no taxation without representation was the slogan of the American Revolution. How dare you surrender to 3 appointed arbitrators the power to impose not only the salaries but the working conditions. I sat here at this hearing and listened. And this is not the first time. Management within the public safety community has complained about the fact that their hands are tied, and that they are unable to accomplish their mission to effectively get the Police Departments, the Sheriff's Office, etcetera to function because these arbitration decisions tie them up to the point that they're incapable (sic) of performing their function properly.

This is an outrage to the voters and taxpayers of Suffolk County. You can not allow and should not allow -- what I am urging you to do, number one, is to rescind that resolution and reduce it to two years. So that whoever the incoming Executive -- County Executive is, he or -- well, it's he in this case -- will have the opportunity --

ACTING CHAIRMAN CRECCA:

If you figure out a way to get a woman there right now, I think we're all for that. All right, Phil, I got to ask you to wrap up -- Phil let me speak for a second so the Reporter can take me down.

MR. GOLDSTEIN:

Yes.

ACTING CHAIRMAN CRECCA:

I got to ask you to wrap up. You're like probably about three or four times beyond your time. So, please.

MR. GOLDSTEIN:

My final comment is this is nothing more than legal bribery. 2,000 years ago in ancient Rome, the pretorian guard determined who would be the Emperor of Rome. If you wanted to be the Emperor, you just had to come up with the gold. You had to bribe the pretorian guard. That was the only Roman legion able to function within the confines of the city of Rome. And they determined who the Emperor would be.

Here we are 2,000 years later and we are still engaged in bribery. Only it's gotten worse because we've become more adept at it. Instead of just handing over the cash, what we now have is unelected officials making these determinations which become contractually binding upon the County. And as a result of which the gluttony of one segment of our County is being rewarded because they are a well organized group that is able to deliver a block of votes. And the needy unorganized parts of the County's populus are unable to acquire adequate funding for the programs that are vital to their well being.

We need to do an audit of the police function and decide whether or not we are paying for services that are truly being rendered. Because there are a lot of questions. When you see a number of police cars showing up at an accident scene and all they're doing is paper work for the benefit of some civil suit and so on, do we need a sworn armed officer to perform that function? That's just one off-the-top-of-my-head example. But the point very simply is, we are overpaying between the salaries and the perks that are being granted to these uniform services we are overpaying. Look at what New York City pays.

ACTING CHAIRMAN CRECCA:

Phil, I asked you to wrap it up. I'm being more than patient. Please.

MR. GOLDSTEIN:

One last item. As a Republican --

ACTING CHAIRMAN CRECCA:

Phil, listen to me. I know you get impassioned. And it's great. We have microphones. And the reason we have microphones is so we can hear you. But when you yell into the microphone, it's hard to hear you.

MR. GOLDSTEIN:

All right. As a Republican, Republicans speak to the market controlling issues. In other words,

when there's a problem, liberals, Democrats like to use the government to determine the outcome. Republicans say no free market should determine the outcome. When you look at the tests that are given for Suffolk County police departments, we get thousands and thousands of people coming here seeking to get these jobs. The market doesn't play any role in determining what the salaries are. We keep raising the salaries regardless of the fact that there are thousands of people who are willing to come here and work for the preexisting contract. And that's another thing. Under State law, there's a LaGuardia Provision, I think, which says that if you don't agree upon a new contract, the preexisting contract holds force.

LEG. CARACCILO:

Triboro.

MR. GOLDSTEIN:

Pardon me?

LEG. CARACCILO:

Triboro.

ACTING CHAIRMAN CRECCA:

Phil, I thank you for your comments as always. And --

MR. GOLDSTEIN:

Stand up and be courageous. Don't knuckle under to this politically reprehensible arbitration process.

ACTING CHAIRMAN CRECCA:

Thank you, Phil.

LEG. CARACCILO:

I have some questions for Budget Review.

ACTING CHAIRMAN CRECCA:

Sure. Legislator Caracciolo for Budget Review.

LEG. CARACCILO:

Fred, first let me just pick up on something Mr. Goldstein made reference to; and that's comparing this County's financial management to its neighbor under the previous administration that's been out of office there now two years.

First, could you put on the record and make it absolutely clear that there is no analogy, there is no comparison between the bad physical management of Nassau County and the sound financial management of this County. What is this County's bond rating today and what was it 10 years ago when the incumbent County Executive who will be leaving office in a couple of months inherited a 100 million dollars budget deficit from his Democratic predecessor?

MR. POLLERT:

Suffolk County is in far better shape than our neighbors to the west under the previous administration. The County's bond rating has been improved. It's been improved because the bond rating agencies look at a number of factors, not just one factor, to look at the financial health of the County. The County has established things like a pay-as-you-go policy. They have established things like a tax stabilization reserve fund. For fiscal Year 2000 for the County's Operating Budget that you're looking at, it is going to have a substantial carry-over fund balance from 2003 into 2004.

The 2004 budget by itself is in good financial shape. It doesn't necessarily mean that the outlook for 2005 is rosy. It just means that for 2004, we have a good solid operating budget. Clearly there are going to be quite a few challenges in the future.

MR. CARACCILO:

Well, let me just stop you there, because more than a decade ago, I proposed in this legislature body multi-year tax -- I mean multi-year County budgets. Everyone laughed at the idea, scoffed at the idea. Even the Budget Review said at that time you really can't accurately predict revenues and expenses on a multi-year basis.

That said, the fact remains that in a bipartisan matter this Legislative body for the last ten years has assured the residents of this County stable County property taxes. A decline actually on the east end of County property taxes in excess of 65%, something that I certainly appreciate. And I appreciate the support of my colleagues who have seen to it that taxes are appropriated in this County on a fair and equitable basis because up until 1993, that wasn't the case. There was a disproportionate share paid by east end taxpayers.

Structurally, there is no comparison, Phil, to the practices of Nassau County in the 1990's and 2000's with Suffolk County. Plain and simple, no analogy. Doesn't exist. Structurally we are sound. What is Nassau's bond rating today, Fred?

Mr. Suozzi, I have to say this. He gets all these accolades by Newsday, but everybody forgets, Phil, that he raised property taxes 20%. Everybody forgets that the State bailed out Nassau County to the tune of 125 million dollars.

Mr. Pollert, of the County's 2 billion dollar plus budget, what portion of that -- it's unfortunate that Emi Endo just left the auditorium, because this never gets reported in Newsday. She reports that we like every other municipality in this State have to deal with unfunded state mandates. But they never quantify it for the populus. What percentage of Suffolk County's budget do we inherit as a result of state unfunded mandates?

MR. POLLERT:

More than 50% of the budget.

LEG. CARACCILOLO:

Thank you. Thank you, Phil. If you or I were running our household with somebody else is dumping on us 50% of expenses that we had no control over, try managing that budget.

MR. GOLDSTEIN:

I am talking about --

LEG. CARACCILOLO:

I know what you were talking about. I just want to make the record entirely clear.

ACTING CHAIRMAN CRECCA:

George, I just want you to know it's been under control until about -- until you walked in so -- I thought your wife went into labor?

LEG. GULDI:

She delivered Tuesday morning at 6:00.

(APPLAUSE)

ACTING CHAIRMAN CRECCA:

Boy or a girl?

LEG. GULDI:

Boy.

ACTING CHAIRMAN CRECCA:

Oh no, not another George Guldi in the world.

Actually, we're done, George. Your timing is perfect.

Are there any other members from the gallery that wish to be heard?

Seeing none, I thank those who came before us this morning and thank you all for being here.

And thank you, George, for your wonderful input. Thank you folks. This meeting is adjourned.

(THE HEARING WAS CONCLUDED AT 10:50 A.M.)